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DE RUEHEG #0579/01 0641050
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FM AMEMBASSY CAIRO
TO RUEHC/SECSTATE WASHDC PRIORITY 3836
INFO RUEHXK/ARAB ISRAELI COLLECTIVE
RUEHBM/AMEMBASSY BUCHAREST 0018
RUEHBS/USEU BRUSSELS
RUEHUNV/USMISSION UNVIE VIENNA 0094

C O N F I D E N T I A L SECTION 01 OF 02 CAIRO 000579

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E.O. 12958: DECL: 03/05/2017

TAGS: PREL PGOV ECON KNNC EG RO

SUBJECT: (C) ROMANIAN PRESIDENT OFFERS EGYPT NUCLEAR EXPERTISE, PRODS BILATERAL TRADE TIES

REF: A. STEWART-ABERCROMBIE O/I E-MAIL OF 1/31/2007

¶B. BUCHAREST 243 (NOTAL)

Classified by Minister Counselor for Economic and Political Affairs, William R. Stewart, for reasons 1.4 (b) and (d).

Summary

¶11. (C) Romanian President Basescu visited Egypt February 21-22 and met privately with President Mubarak, Prime Minister Nazif, Arab League Secretary General Amre Moussa, Egyptian economic ministers, local business leaders, and others. Basescu reportedly offered Egypt access to Romania's nuclear facilities for training, and will await a formal GOE response to its unpublicized offer. The Romanian leader listened to Egyptian views on regional issues while seeking to lay the groundwork for enhanced diplomatic and economic ties with Cairo and the region. Gas and energy resources feature high on the list of potential trade collaboration between the two countries. End summary.

Context of Visit: Mostly Trade

¶12. (C) Romanian Ambassador Gheorghe Dumitru provided emboffs with a general readout of Romanian President Traian Basescu's February 21-22 visit to Egypt. President Mubarak met Basescu upon arrival at the airport, after which the two had a lengthy private discussion. Dumitru said he was not briefed by his President on the substance of that meeting. Dumitru said President Basescu also met privately with PM Nazif, followed by a break-out session with several GOE economic ministers. Bilateral trade with Egypt, he said, "had not reached its potential." Two-way trade only reached USD 370 million in 2005, even though Egyptian exports to Romania were growing quickly. Bucharest was unhappy with the trade structure, he said, with timber comprising one third of Romanian exports to Egypt. The GOR viewed Egypt as a gateway to the region, and would work with the GOE to identify a small number of commercial "pilot projects" to drive further bilateral cooperation.

Romanians Offer Nuclear Training

¶13. (C) Dumitro said that during President Basescu's 45-minute one-on-one meeting with Mubarak, Basescu offered Romanian assistance to advance Egypt's nuclear energy goals. According to Dumitro, Basescu told Mubarak that Romania would be willing to train Egyptian scientists in nuclear power plant operations at its national training facility at

Cernavoda (Italian and Canadian-built), in addition to providing scholarships for Egyptian nuclear scientists to study at the University of Bucharest's nuclear studies department. The Ambassador was uncertain how many Egyptians could be accommodated in either program, but noted the GOR had decided "not to push" the Egyptians on the issue of nuclear training. Bucharest will await Egypt's formal reaction, but does not intend to make the offer public. Ambassador (Note: Dumitru had prefaced the training offer to the Embassy during a January 24 meeting with the Ambassador (ref A). End note)

Petroleum Sector Projects

¶4. (C) Ambassador Dumitro also described a meeting between Basescu and Egyptian Minister of Petroleum Sameh Fahmy, in which the minister, saying he was acting on the orders of President Mubarak, expressed a desire to identify one "concrete project" in the petroleum sector for future collaboration. (Note: Fahmy has publicly discussed potential joint Egyptian-Romanian projects over the past several years, including the establishment of a joint venture company to produce drilling equipment. End note.) Dumitru said Romania was keen to develop relationships with Egypt's petroleum sector as part of a broader strategy to diversify energy sources away from Gazprom. While Romania would like to import Egyptian LNG directly, Turkish restrictions on Bosphorous transits precluded such deals. An alternative being considered is sourcing gas from the Egyptian-Arab Pipeline, Dumitru said. But, he added, even though the Syrian portion of the pipeline may be completed within 18 months, connections with Turkey may be delayed for a

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significant period.
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